



FACT SHEET: Congressional Review Act Challenge to the BLM Methane and Waste Reduction Rule Would Increase Pollution and Cheat Taxpayers

- *This is the first update to natural gas waste rules in over 30 years*
- *The rule will make sure taxpayers get fair value for our public resources*
- *Reducing waste from natural gas will make our air cleaner*
- *Passing this CRA resolution will limit the ability to reduce natural gas waste and pollution in the future*

This Rule Updates An Ineffective, Outdated Regulation

Oil and gas waste regulation hasn't been updated in over 30 years. The previous rule regulating wasted oil and gas was finalized in 1979. Since then, technology and the marketplace have evolved considerably. [BLM, [11/16/16](#)]

- **Under the old rule, large quantities of natural gas were being wasted, and taxpayers are losing out.** According to the Bureau of Land Management (BLM), “about 462 billion cubic feet of natural gas” was vented, flared and leaked between 2009 and 2015. In addition to polluting the air and wasting “a valuable domestic energy resource,” royalties on that natural gas were being lost. [BLM, [11/16/16](#)]
- **This rule incentivizes operators to reduce waste.** Because of the “substantial variation” in how wasted gas was calculated in the past, oil and gas operators paid little penalty for wasteful practices. Under the new rule, venting would be largely prohibited, and operators would be required to move to “low bleed controllers” and upgrade their equipment to effectively capture wasted gas for productive use. [GAO, [7/7/16](#); BLM, [11/16/16](#)]
- **Under the new rule, operators must detect gas leaks and apply limits on flaring.** Under the previous rule, no limit applied to flaring, and operators were not required to find and repair leaks. [[81 FR 83008](#)]

BLM is required by statute to prevent methane waste. The Mineral Leasing Act of 1920 requires the BLM to ensure that operators “use all reasonable precautions to prevent waste of oil and gas.” [[30 U.S.C. § 225](#)]

Taxpayers Will Recoup Millions From This Rule

Reducing methane waste returns money to taxpayers. Leaked and vented natural gas waste costs Americans up to \$23 million a year in lost royalties for gas production on public land. The Bureau of Land Management (BLM) rule “will help curb waste of our nation’s

natural gas supplies; reduce harmful air pollution, including greenhouse gases; and provide a fair return” for taxpayers. [BLM, [11/16/16](#)]

- **A report by ICF International found that 65 billion cubic feet of methane was wasted in 2013.** This gas would be worth “\$330 million at current prices,” with taxpayers losing out on royalties that would have been paid if that waste had been captured and used. [EDF, [3/14](#)]

The rule is cost effective. The benefits to reducing natural gas waste far outweigh the compliance costs, by \$115-\$188 million per year. Approximately 40% of natural gas currently being wasted could be “economically captured with currently available technologies.” [BLM, [11/16/16](#)]

This Rule Makes Our Air Cleaner

Methane is a potent greenhouse gas. Methane, the primary constituent of natural gas, is a greenhouse gas with 25 times the potency of carbon dioxide. Vented or wasted gas releases these dangerous emissions into the air, and the rule would “avoid an estimated 175,000-180,000 tons of methane emissions per year.” [BLM, [11/16/16](#)]

The rule takes the emissions of about 1 million cars off the road. BLM estimates that the rule would reduce emissions by the equivalent of taking nearly 1 million cars off the road every year. [BLM, [11/16/16](#)]

Passing this CRA Could Effectively Stop New Rules Regarding Methane Venting and Waste

The CRA could stop agencies from doing their jobs. Under the CRA, an agency cannot issue any future regulations “substantially the same” as the repealed regulation unless Congress passes a new law. This could effectively tie the hands of the Bureau of Land Management in any matters relating to the regulation of methane venting or waste of these public resources. [[5 U.S.C. § 801](#)]

- **An analysis in the Washington Law Review argues that it is “conceivable that any subsequent attempt to regulate in any way whatsoever in the same broad topical area would be barred” under the “substantially similar” language.** [Washington College of Law, [2011](#)]
- **The “substantially similar” language is vague and undefined, and a violation “may be a matter for Congress alone to decide.”** Because the CRA prohibits judicial review, Congress could be the only ones with authority to make the distinction. [CRS, [11/17/16](#)]